

Guideline Interpreting 225 CMR 4.00

1. Introduction

DOER provides the following Guideline interpreting 225 CMR 4.00 (the “RCS Regulation”), promulgated in April of 2017. This document is based on public feedback throughout the regulatory process by DOER.

Due to differences between RCS timelines for Coalition Action Plans (“CAP”), which are subject to DPU budget review, and Municipal Action Plans (“MAP”), which are not, sections specifying general RCS requirements and specific CAP requirements are included herein. Sections specifying MAP requirements will be finalized and released later in 2018.

2. Objectives

DOER updated the RCS Regulation in April of 2017 to clarify their role in light of the Green Communities Act (GCA),¹ the Global Warming Solutions Act,² and An Act Relating to Competitively Priced Energy.³ The updated Regulation reflect modern consumer protections within the context of the GCA, which enables Program Administrators to provide incentives to consumers to act on RCS information. Specifically, RCS is designed to ensure that customers receive comprehensive information about energy conservation and renewable energy opportunities in their home.

The overall goals of the RCS revision have been presented in public stakeholder processes and include:

1. better integration of efficiency and renewable energy opportunities for the customer;
2. removal of barriers to fuel-switching and support for informed consumer decision-making, by providing comprehensive, transparent information about efficient HVAC & hot water system options, including renewable thermal systems, regardless of the customer’s current heating fuel;
3. support for energy justice and consistency for residents of multi-family (5 or more unit) buildings, regardless of the customer’s current heating fuel;
4. assurance of quality work by contractors who have a clear path into and out of program participation;
5. better insight into RCS Program performance through detailed data reporting; and
6. regulatory clarity.

In lieu of a public advisory committee, DOER will gather public input on Coalition Action Plan Programs through the Massachusetts Energy Efficiency Advisory Council (EEAC). DOER will also convene a public advisory committee, including municipal RCS Program Administrators and invited stakeholders, to provide input on the Municipal Action Plans.

¹ C. 169 of the Acts of 2008.

² C. 298 of the Acts of 2008.

³ C. 209 of the Acts of 2012.

RCS STATE PLAN

The term “Program Administrator” refers to RCS Program Administrators as defined in 225 CMR 4.01.

In furtherance of the RCS Program at G.L. c. 164 App. §2 and 225 CMR 4.02(2)(a), the RCS State Plan is set forth herein:

1. RCS Program Requirements

A. Program Parameters

RCS services include all activities that assess the energy consumption, energy conservation, or demand management opportunities, or make recommendations for energy-related measures, such as energy conservation or renewable energy, for a residential building, whether performed on-site or not. Pursuant to the RCS statute and Regulation:

1. The RCS program encompasses all residential buildings, including single and multifamily buildings, regardless of who owns the residence or the type of fuel or equipment used. RCS services include in-home energy audits and other types of energy assessments, ancillary services outside the home, such as online or mobile customer engagement tools, and the marketing of home energy assessment services;
2. The RCS Program Year runs from January 1 through December 31;
3. All customers who heat with unregulated fuels (at the time of initial contact with the program) shall be served by electric Program Administrators;
4. Program Administrators must submit either a Coalition Action Plan or a Municipal Action Plan (collectively, “Action Plan(s)”) as outlined below;
5. In conjunction with its Action Plan, Program Administrators shall submit to the DOER the recommendation process for Program Measures; and
6. Program Administrators shall submit reports to DOER on RCS activity.

B. Assessments

A Program Administrator shall pay an annual RCS Assessment to DOER pursuant to 225 CMR 4.10(2). On or before October 31st each year, Program Administrators shall submit documentation for the prior calendar year of the number of residential customers served by the Program Administrator and the number of fuel units sold to those customers. Electric Program Administrators shall submit residential sales in kWh; gas Program Administrators shall submit residential sales in therms and MMBTU with supporting calculations from the unit reported to the Department of Public Utilities (DPU). If a Program Administrator’s fiscal year does not coincide with the RCS program year, that Program Administrator may submit assessment information for its most recently completed fiscal year. This documentation shall be sent via electronic mail to DOER.RCS@mass.gov.

C. Methods of Redress

RCS customers may seek redress for injuries caused by RCS activity, as set forth in G.L. c. 164 App. §2-8 and 225 CMR 4.09(2-3).

In addition, if a customer has concerns regarding the quality of program results and recommendations, the customer should first follow the redress protocol established by the program vendor or relevant certification body (e.g. RESNET for HERS rating concerns). Following a documented effort to seek redress through RCS service providers, customers with remaining concerns may appeal to the DOER for further redress.

D. Reporting Process

No later than 45 days after the end of a calendar quarter, a Program Administrator (or designee) shall generate a report of RCS performance, per a template provided by DOER. The report shall include a per-unit record of activity, by unique identifier, and specify if multiple units are located at the same street address. Reports shall include home characteristics, energy saving recommendations, which recommendations were and were not adopted, and the home energy scorecard⁴ for each unit. Secure transmission or access to reports shall be sent to DOER via electronic mail to DOER.RCS@mass.gov.

The RCS report template will be determined with Program Administrator and other stakeholder input prior to the beginning of the first program year following the release of the State Plan and, subsequently, on an as-needed basis.

2. Coalition Action Plan

Each Program Administrator that participates in the statewide Energy Efficiency Investment Plan (EEIP)⁵ shall develop a Coalition Action Plan (CAP) that describes its proposed RCS program. The contents of the CAP and the DOER review process are set forth below.

A. CAP submission and review process

In 2018, Program Administrators shall submit the CAP to DOER as part of its EEIP submission to the DPU. Every three years thereafter, PAs shall submit a draft CAP as part of the April 30th draft EEIP and a final CAP to DOER for review by September 1.

⁴ Scorecard design criteria and minimum requirements will be determined by DOER with the input of PAs, their audit vendors, and customer representatives.

⁵ The EEIP is the statewide energy efficiency plan for investor-owned utilities and municipal aggregators with certified energy plans (e.g. the Cape Light Compact) pursuant to the Green Communities Act. Municipal utilities generally do not participate in the EEIP. RCS applies to sections of the EEIP that serve existing residential buildings.

DOER will review the CAP to determine whether it complies with the requirements of the RCS statute, the RCS Regulation, and this Guideline, and whether it is likely to achieve the Outcomes established pursuant to 225 CMR 4.05. Upon completion of its review, DOER will file a letter with the DPU stating whether the CAP complies with RCS requirements or not. If the CAP does not comply, the DOER letter will specify why it does not comply and a timeframe within which the CAP must be amended to achieve compliance. CAP PAs must notify DOER of any subsequent changes to the six CAP components listed in section B (below), and receive approval from the DOER before implementation.

The PAs must include the CAP, along with budget and cost recovery data, in the EEIP submitted to the DPU every three years, for review of the reasonableness of the RCS budgets pursuant to G.L. c. 25, §21.

Program Administrators shall make reasonable attempts to jointly coordinate the CAP. If a particular Program Administrator deviates from the CAP, it must explain these exceptions within the submission.

B. CAP Content

The CAP must describe the RCS Program with details regarding the RCS Program Requirements set forth in 225 CMR 4.00 and this Guideline, including:

1. **Energy assessment and program services** – the methods by which energy assessments and recommendations will be provided to customers, including at a minimum, a description of:
 - In-home audit and other energy assessment services,
 - All ancillary services, audits not requiring an in-home visit, and other methods of engaging customers to assess home energy consumption,
 - Third party and/or co-delivery of RCS services used to assess home energy consumption and recommend Program Measures,
 - Delivery of DOER-approved home energy scorecard,⁶ in conjunction with in-home audits, both before and after installation of program measures.
2. **Frequency of RCS services** –
 - A proposal for how often customers will be served, screened, and prioritized for services, and how this proposal manages RCS costs and ensures consumer protection.
 - A description of any policies for how often a customer can receive RCS services.
 - A description of the method and systems the Program Administrator will use to maintain records and transfer data to monitor frequency of service.

⁶ The standard format and methodology for energy scorecards and energy performance ratings will be determined by DOER with input from Program Administrators, their audit vendors, and customer representatives. Delivery of DOER-approved scorecards shall be required for all 1-4 unit homes, as well as low-rise multi-family homes compatible with conventional heat-loss models.

3. **Marketing Plan and Customer Outreach** - A plan for how RCS services will be marketed to customers to meet Outcomes, and ensure consumer protection and fairness.
4. **Vendor Qualification Standards** - How contractors are qualified to work within the Program Administrator's RCS program, including a description of:
 - Protocols for intake and processing of customer complaints,
 - Minimum qualifications for contractors to participate in the program and remain qualified to participate, including contractors directly employed by program lead vendors, home performance contractors, and other contractors authorized to offer weatherization incentives;
 - Criteria the Program Administrator will use to disqualify a contractor from participating in the RCS Program, including contractors directly employed by program lead vendors and contractors that are not directly employed by program lead vendors; and
 - A policy for whether and how contractors may re-enter the program or re-gain participation status.
5. **Disclosure of Audit Contents** – A description of how audit information will be made available to customers, subsequent purchasers, and tenants within the confidentiality provisions of G.L ch.164 App. §2-3(c).
6. **The Process for Recommending Measures** – A description of the process for recommending heating, hot water, and cooling systems, during home energy audits or ancillary services which may include samples of materials presented to customers, and an explanation of how auditors are trained to discuss these options. The description should explain how the Program Administrator will assess technical feasibility, GHG intensity of fuels, and customer economics, while ensuring consumer protection, when making recommendations for heating, hot water, and cooling systems . DOER will review the process and approve or reject it, based on the extent to which it meets the criteria below. Any changes to the process must receive prior approval from the DOER.
 - Technical feasibility: Does the process recommend all options that are technically feasible?
 - Greenhouse gas (GHG) intensity of fuels: Does the process include consideration of the GHG-intensity of fuels used? For technically feasible technologies: Are customers presented with information about the GHG-intensity of fuels?
 - Customer economics: Does the process present customers with their return on investment for all technically feasible options, including all incentives available through Mass Save, state or federal sources)
 - Consumer protection: Does the process sufficiently allow consumers to make informed decisions?

C. CAP Outcomes

In 2018, DOER plans to release final Outcomes prior to the EEIP submission to the DPU. Every three years thereafter, DOER intends to establish draft coalition Outcomes by April 1, and final Outcomes by August 1, of each year that a new EEIP is required to be filed with the DPU. In establishing Outcomes, DOER will consider the Commonwealth's energy goals, including targets in the Global Warming Solutions Act⁷ and the Clean Energy and Climate Plan⁸, priorities expressed by the Energy Efficiency Advisory Council, the objectives set forth in this Guideline, the input of public stakeholders, and other relevant, energy-related goals of the Commonwealth. RCS Outcomes may be qualitative or quantitative.

DOER will monitor Outcomes based on reports provided by CAP PAs through the Quarterly Reports required by the RCS Regulation and these Guideline.

3. Municipal Action Plan

This section will be completed later in 2018.

A. Municipal Compliance Process

B. Reporting Process

C. MAP Outcomes

⁷ <https://malegislature.gov/Laws/SessionLaws/Acts/2008/Chapter298>

⁸ <http://www.mass.gov/green/cleanenergyclimateplan>

Appendix 1

2019-2021 CAP Outcomes

Pursuant to 225 CMR 4.05, DOER is required to establish Outcomes for the RCS program, and pursuant to 225 CMR 4.04(7), RCS Program Administrators are required to submit quarterly reports to DOER based on those Outcomes.

Below are the Outcomes applicable to the RCS programs included in future Energy Efficiency Investment Plans, applicable to RCS Program Administrators subject to 225 CMR 4.07.

In addition to the reporting requirements in statute, regulation, and guideline, RCS reports shall include metrics, specified by DOER, which measure success of the following RCS Program Outcomes:

- Provide RCS customers with the DOER-approved home energy scorecard in conjunction with their in-home audit
- Provide RCS customers with information to increase awareness of renewable thermal technologies and air source heat pumps
- Increase number of hard to reach customers served by RCS Programs, including rental, moderate income, and non-English speaking households
- Track insulation, weatherization, other Program Measures in homes receiving RCS Programming